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RURAL REAL ESTATE VALUES IN ALBERTA

August - December: 1970

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RURAL REAL ESTATE VALUES IN ALBERTA

August - December: 1970

by

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RESOURCE ECONOMICS BRANCH
ECONOMICS DIVISION, ALBERTA DEPARTMENT OF AGRICULTURE
EDMONTON, ALBERTA

JUNE, 1971

Honourable H.A. Ruste
Minister

Dr. G.R. Purnell
Deputy Minister

FORWARD

While much discussion in recent years has centered on the agricultural real estate market, there is a general absence of aggregate information on performance. Yet the bouyancy or depressed nature of the agricultural industry will directly influence the volume and value of transactions carried on over time.

Land forms a major portion of the agricultural real estate package. Returns to land is a residual item. The size of the residual return is based on the difference between gross returns and all payments for purchased goods and services used in production and an allowance for the individual's living costs. This residual, however calculated, indicates an estimate of the owner's abilitiy to pay for land and thus in large part for rural real estate. Depending on the expectations of the purchaser for future product prices and costs of materials and labor, the volume of sales and the prices of rural real estate will change. It is the indication of change, its direction and its magnitude which can be ascertained from looking at aggregate statistics such as are found in this report.

The report is a first attempt by the Resource Economics Branch in achieving its goal of developing an ongoing series of economic information about the value of the land resource in Alberta. There are improvements that can be made. The data can be refined to more adequately reflect land value rather than its proxy, real estate value. This however, consumes more time and resources than the Branch can presently devote to the topic. The present analysis only covers a five month period which in itself may create more questions than it will answer. Time series analysis over a number of years will provide more fruitful results. The Branch intends to pursue this goal as time and resources permit.

Caution is urged where these might be used for bench marks, for individual transactions. Many factors enter into the decision to purchase land and buildings. These include the estimated returns over time to the purchaser, the proximity to urban centers, the land's capability for production of agricultural products, the buyer's optimism about the future, the location of the real estate in relation to the buyer's present holdings, the amount of cultivated and uncultivated land in the parcel to be exchanged, and the level of taxation. One or all of these factors could cause a significant deviation from averages indicated in the report. The report does not indicate what the land and buildings are worth to the prospective buyer or seller involved in a specific transaction. Rather it tells what buyers and sellers thought some real estate was worth between August 1 and December 31st of 1970. Projections about the future still remain the prerogative of the individual entrepreneur.

ACKNOWLEDGEMENTS

The authors wish to acknowledge the contributions of a number of individuals who spent many hours in preparing the data and compiling the report. The work of Mrs. Kay Kletke in preparing the raw data and Shelley Storrier in typing the report is much appreciated. Thanks are due as well to the staff of the Systems Design and Data Analysis branch for the assistance provided.

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INTRODUCTION

Objectives of the Study:

The possession and control of real estate, traditionally has played an important role in North American society. This role will likely continue to be an important consideration in the lives of many individuals. Consequently, information on real estate values is of interest to many individuals and agencies - both public and private. This report is a statistical summary of rural real estate market values in Alberta covering approximately the last five months of 1970.

Information on rural real estate values, more specifically, can prove useful for the following purposes:

1. Determining comparative real estate values in various regions of the province.
2. Establishing broad property valuation guidelines for individuals or agencies who are involved in real estate appraisal.
3. To provide an indication of the bouyancy of the rural economy. Real estate sales, as measured by both the volume and the value of sales is perhaps one of the most accurate 'barometers' of the state of the rural economy.
4. Establishing a body of price data for the rural real estate resource of the province. Such information is essential to public policy makers for resource allocation decisions.
5. Research applications - for example, the relationship of rural real estate values to trends in net farm income, the volume of grain sales, etc. could be investigated.

This information of course would become more useful with the development of a continuing series of such data and applications in addition to those indicated above might become apparent in time.

Procedures:

The raw data on rural real estate sales was provided to the Resource Economics branch by the Department of Municipal Affairs, who in turn obtained it from the Land Titles Offices. Each transaction was appropriately coded and key-punched on an I.B.M. card in preparation for computer processing. Over a period of several months, suitable programs were developed for error searching the data and summarizing it into the desired form.

The values provided are the 'assurance fund' values. These values, in the majority of instances, are the actual transaction or sale values of the property.[1] In other instances, it is an assessment of the true market value of the property determined and vouched as such by the purchaser of the property. Consequently, the values shown in the various tables of this report represent market values of rural real estate.

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[1] Personal communication with the Land Titles Office indicated that in approximately 90% of the instances, the assurance fund value is the actual sale value of the property. The assurance fund is established to cover liability claims against the Land Titles Office as a result of error in issuing title to property. The fee is based upon the difference between the previous assurance fund value and the current value.

CHAPTER I

THE VOLUME OF RURAL REAL ESTATE TRANSACTED

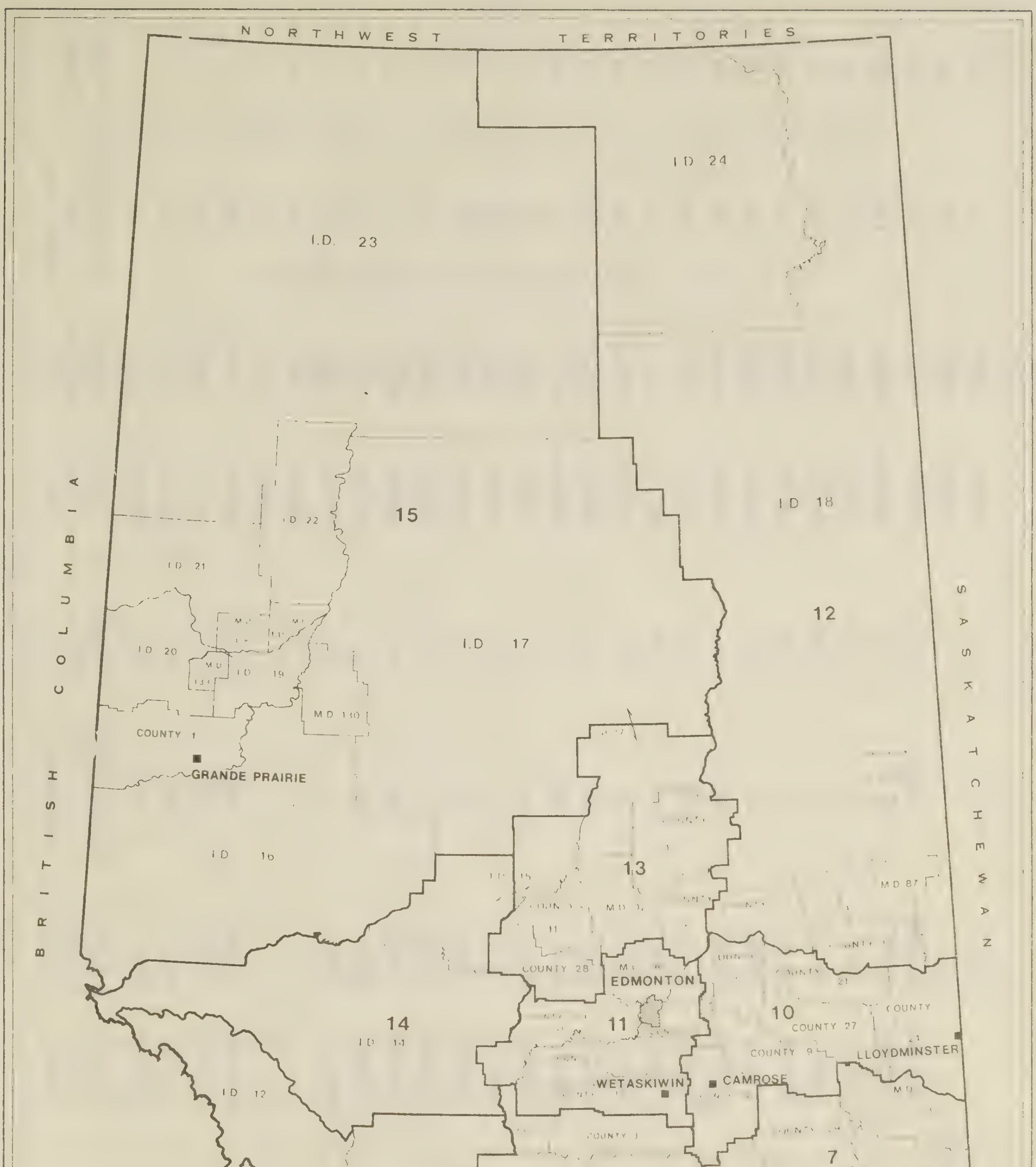
The following list outlines the number and the names of the various counties and municipal districts in Alberta. In addition there are twenty-four Improvement Districts and three Special Areas which are identified by number only.

County No.	Name	County No.	Name
1	Grande Prairie	17	Mountain View
2	Vulcan	18	Paintearth
3	Ponoka	19	St. Paul
4	Newell	20	Strathcona
5	Warner	21	Two Hills
6	Stettler	22	Camrose
7	Thorhild	23	Red Deer
8	Forty Mile	24	Vermilion River
9	Beaver	25	Leduc
10	Wetaskiwin	26	Lethbridge
11	Barrhead	27	Minburn
12	Athabasca	28	Lac St. Anne
13	Smoky Lake	29	Flagstaff
14	Lacombe	30	Lamont
16	Wheatland	31	Parkland

M.D. No.	Name	M.D. No.	Name
6	Cardston	52	Provost
9	Pincher Creek	61	Wainwright
14	Taber	87	Bonnyville
26	Willow Creek	90	Sturgeon
31	Foothills	92	Westlock
34	Acadia	130	Smoky River
44	Rocky View	133	Spirit River
47	Starland	135	Peace
48	Kneehill	136	Fairview

Improvement Districts are numbered 1 to 24, however, I.D.'s 4, 9, 12, 13 and 24 are national parks; I.D. 3 is an Army Experimental Range. The Special Areas in east-central Alberta are numbered 2, 3 and 4. The map on page 5 shows the location of the counties, M.D.'s, I.D.'s and S.A.'s in Alberta.

Table I on page 6, outlines the total number of transactions, acreage and value of all rural real estate sales for each county, municipal district, improvement district and special area in Alberta. Care should be taken in interpreting these figures as they represent the accumulated sales only for the last five months of 1970.



PROVINCE OF

ALBERTA

CANADA

MUNICIPALITIES AND CENSUS DIVISIONS

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TABLE I

VOLUME OF RURAL REAL ESTATE TRANSACTED: AUG. - DEC., 1970

County No.	Total Number of Transactions	Total Acreage Sold	Total Value ($)	County No.	Total Number of Transactions	Total Acreage Sold	Total Value ($)	I.D. No.	Total Number of Transactions	Total Acreage Sold	Total Value ($)
1	74	13313	802907	29	46	8296	518534	1	87	17355	843493
2	105	25788	1488716	30	91	11899	660157	2	16	4026	151853
3	71	11259	723768	31	108	13544	1687390	5	4	271	7943
4	60	12071	845574	Total	2101	363106	25605170	6	1	158	10270
5	43	9403	702897					7	3	209	30073
6	63	13480	699477	M.D. No.				8	6	1135	167500
7	35	4988	264341	6	40	7394	437429	10	95	15731	979009
8	59	12364	604229	9	59	11826	704014	11	8	1419	27263
9	43	8229	477683	14	78	14157	1247475	14	59	8593	334655
10	74	10405	667435	26	111	29417	1708245	15	17	2176	48481
11	54	7942	470996	31	126	24713	3036733	16	14	2964	101155
12	67	10985	349570	34	8	2069	73220	17	59	9192	331170
13	38	6516	299298	44	142	24028	3259398	18	117	19831	422535
14	63	11186	1030684	47	65	16714	1109084	19	27	4649	163610
16	101	22369	1657990	48	90	17398	1158533	20	28	5735	267656
17	101	19662	1798711	52	29	5974	222282	21	18	3367	90160
18	42	9176	271245	61	46	10757	438849	22	52	9925	252008
19	49	7000	266592	87	50	7939	333843	23	13	2464	68966
20	67	8174	2360978	90	82	12258	1550787	Total	624	109200	4297800
21	68	10888	393582	92	60	10221	681928				
22	80	12545	790084	130	33	6159	268948	S.A. No.			
23	78	11285	1072529	133	9	1965	55900	2	26	5400	129405
24	98	21869	960570	135	14	2036	117151	3	30	6629	252919
25	123	18548	1928765	136	9	1913	96875	4	33	7646	289804
26	60	8170	834402	Total	1051	206938	16500694	Total	89	19675	672128
27	69	11104	507022					Provincial Total:	3865	698919	47075792
28	71	10648	469044								

Table 2 outlines the distribution of sales by size class.

TABLE 2

DISTRIBUTION OF SALES BY SIZE CLASS

Size Class	Relative Frequency (%)	Cumulative Frequency (%)
to 5 acres	4.4	4.4
5+ - 20 acres	3.6	8.0
20+ - 60 acres	5.7	13.7
60+ - 100 acres	5.8	19.5
100+ - 150 acres	5.8	25.3
150+ - 170 acres	51.4	76.7
170+ - 310 acres	4.4	81.1
310+ - 330 acres	12.6	93.7
>330 acres	6.3	100.0

Of significance is the fact that over fifty percent of the transactions were in the quarter section size class. The relative size distribution of sales suggests that the majority of agricultural sales represent additions to existing farm units.

CHAPTER 2

AGRICULTURAL REAL ESTATE VALUES

Table 3 contains the total number of transactions, acreage and average value per acre for all agricultural real estate transactions for the various counties, municipal districts, improvement districts and special areas. For this summarization, agricultural sales were defined as all transactions greater than 60 acres in size and excluding sales within the defined urban peripheries of Edmonton and Calgary. (The area within the urban peripheries is outlined on page 20).

Figure 2 on page 10, is a diagramatic representation of the average values given in Table 3. Computer mapping techniques were used to derive this map; it is intended only as a general pictorial display of agricultural values.[1] The boundaries shown on this map, consequently, should not be interpreted as a precise representation of changes in value levels.

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[1] The mapping program used was Symap, version 5, developed at the Laboratory for Computer Graphics and Spatial Analysis, Harvard University, Cambridge, Massachusetts. This program was adapted for the province of Alberta data centre by the Systems Design and Data Analysis Branch, Alberta Department of Agriculture.

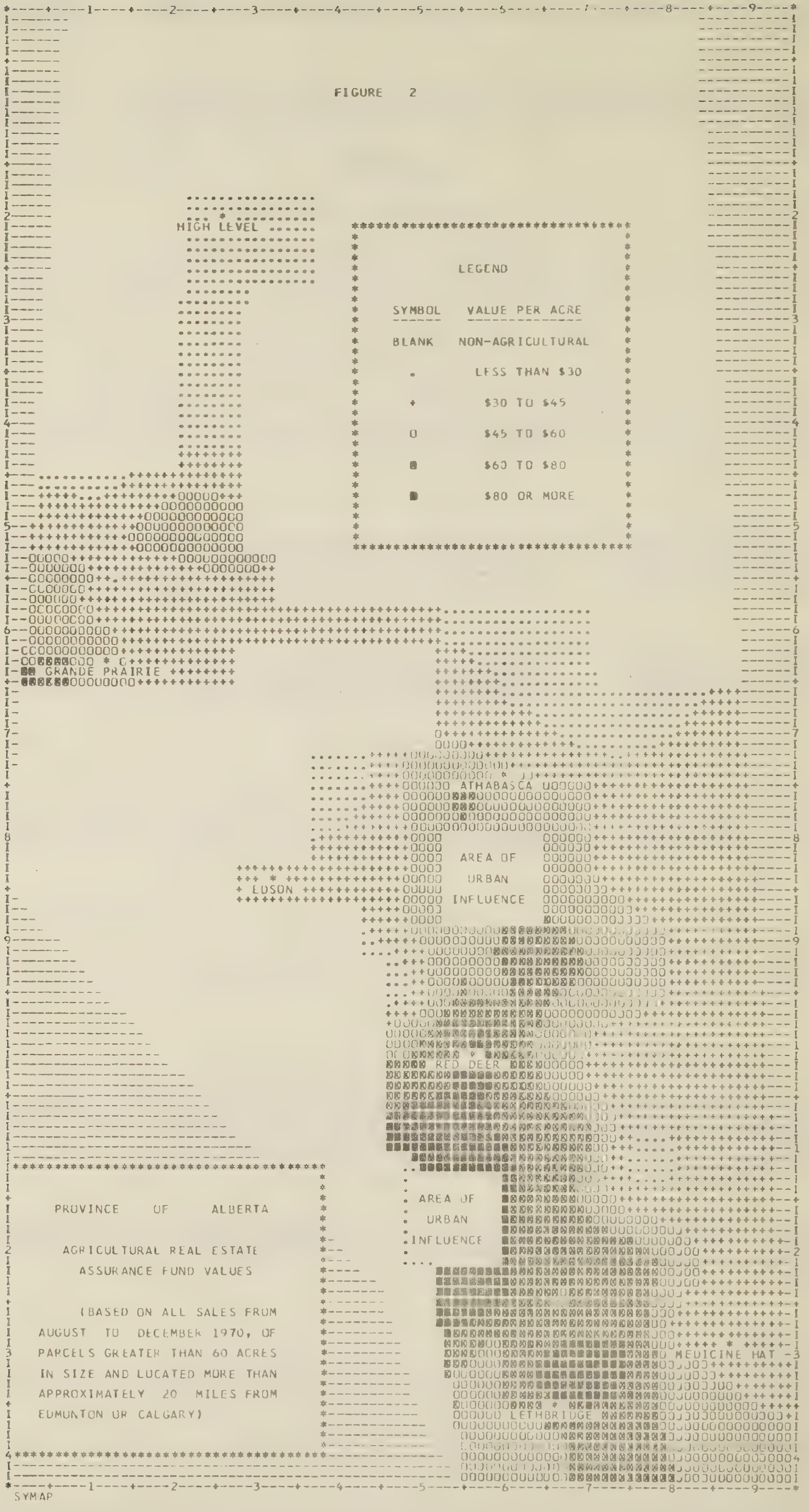
TABLE 3

AGRICULTURAL REAL ESTATE VALUES
(by County, M.D., I.D. and S.A.)

County No.	Total Number of Transactions	Total Acreage Sold	Average Value Per Acre ($)	County No.	Total Number of Transactions	Total Acreage Sold	Average Value Per Acre ($)	I.D. No.	Total Number of Transactions	Total Acreage Sold	Average Value Per Acr ($)
1	60	12587	59.37	29	40	8259	57.67	1	73	17126	43.74
2	95	25597	57.70	30	76	10973	53.74	2	14	4013	36.83
3	58	11028	57.40	31	49	8824	48.01	5	1	156	34.94
4	51	11733	67.56	Total	1623	327917	57.37*	6	1	158	65.00
5	39	9266	74.10	M.D. No.				7	1	138	21.74
6	59	13252	51.16					8	2	493	141.99
7	26	4428	48.42	6	29	7056	50.67	10	79	15543	58.57
8	50	12294	48.79	9	47	11696	55.95	11	8	1419	19.21
9	40	8123	54.56	14	60	13832	84.81	14	48	8250	37.76
10	62	10157	58.94	26	101	28801	56.55	15	11	1875	16.15
11	42	7557	52.88	31	32	8650	100.05	16	13	2962	33.14
12	62	10882	30.93	34	8	2069	35.39	17	51	9055	30.38
13	35	6453	45.58	44	34	8241	130.61	18	108	19718	19.48
14	50	10964	80.10	47	63	16711	66.34	19	24	4615	35.22
16	70	17943	68.24	48	86	17163	66.68	20	25	5650	46.73
17	92	19231	88.68	52	28	5970	37.22	21	17	3343	26.00
18	40	9093	29.43	61	45	10737	40.45	22	50	9916	25.35
19	37	6791	35.70	87	44	7798	35.14	23	13	2464	27.99
21	65	10843	35.70	90	11	1775	54.17	Total	539	106894	36.08*
22	66	11123	66.35	92	53	10131	64.31	S.A. No.			
23	62	11026	82.26	130	32	6109	43.94				
24	89	21651	42.92	133	9	1965	28.45	2	25	5390	23.68
25	53	9270	56.54	135	12	1888	57.60	3	30	6629	38.15
26	39	7798	95.29	136	9	1913	50.64	4	31	7603	37.64
27	60	10989	43.90	Total	703	162505	63.32*	Total	86	19622	33.98*
28	56	9782	40.05					Provincial Total:	2951	616938	54.50*

* The Weighted Average Value per Acre for the Counties, M.D.'s, I.D.'s and S.A.'s.

FIGURE 2



LEGEND

SYMBOL	VALUE PER ACRE
BLANK	NON-AGRICULTURAL
.	LESS THAN $30
+	$30 TO $45
O	$45 TO $60
▨	$60 TO $80
■	$80 OR MORE

PROVINCE OF ALBERTA

AGRICULTURAL REAL ESTATE
ASSURANCE FUND VALUES

(BASED ON ALL SALES FROM
AUGUST TO DECEMBER 1970, OF
PARCELS GREATER THAN 60 ACRES
IN SIZE AND LOCATED MORE THAN
APPROXIMATELY 20 MILES FROM
EDMONTON OR CALGARY)

The weighted average value for all counties was $57.37 per acre, similarly, the average value for all municipal districts was $63.32 per acre, $36.08 per acre for the improvement districts and $33.98 per acre for the special areas. The provincial average of all agricultural real estate transacted was $54.50 per acre. This is approximately $13.00 per acre lower than the $67.35 per acre value for all rural real estate transacted.

Of interest perhaps are some of the highest values. The highest county value occured for the County of Lethbridge, #26 at $95.29 per acre.[1] Similarly the highest M.D. value was $130.61 per acre for the M.D. of Rocky View, #44. The highest I.D. values occured for the improvement districts southwest of Calgary (#6 and #8), however, these values were based only on a few sales, and they probably were influenced by non-agricultural considerations.

Tables 4, 5 and 6 outline agricultural real estate values[2] in relation to the Canada Land Inventory soil capability classification system.[3]

In this classification system, the mineral soils are rated from one to seven. Class 1 soils have no significant limitations for crop production; the poorest soils, class 7, have no potential for agricultural use. Class

---

1. Excluding the County of Strathcona, #20, which is nearly entirely within the defined urban periphery of Edmonton.

2. All sales greater than 60 acres in size and excluding the defined urban peripheries.

3. This classification system rates agricultural soils from 1 to 7 in relation to the 'potentialities and limitations' for agricultural use. See the Canada Land Inventory, Report No. 2, Soil Capability Classification for Agriculture, 1965. Department of Forestry, Ottawa.

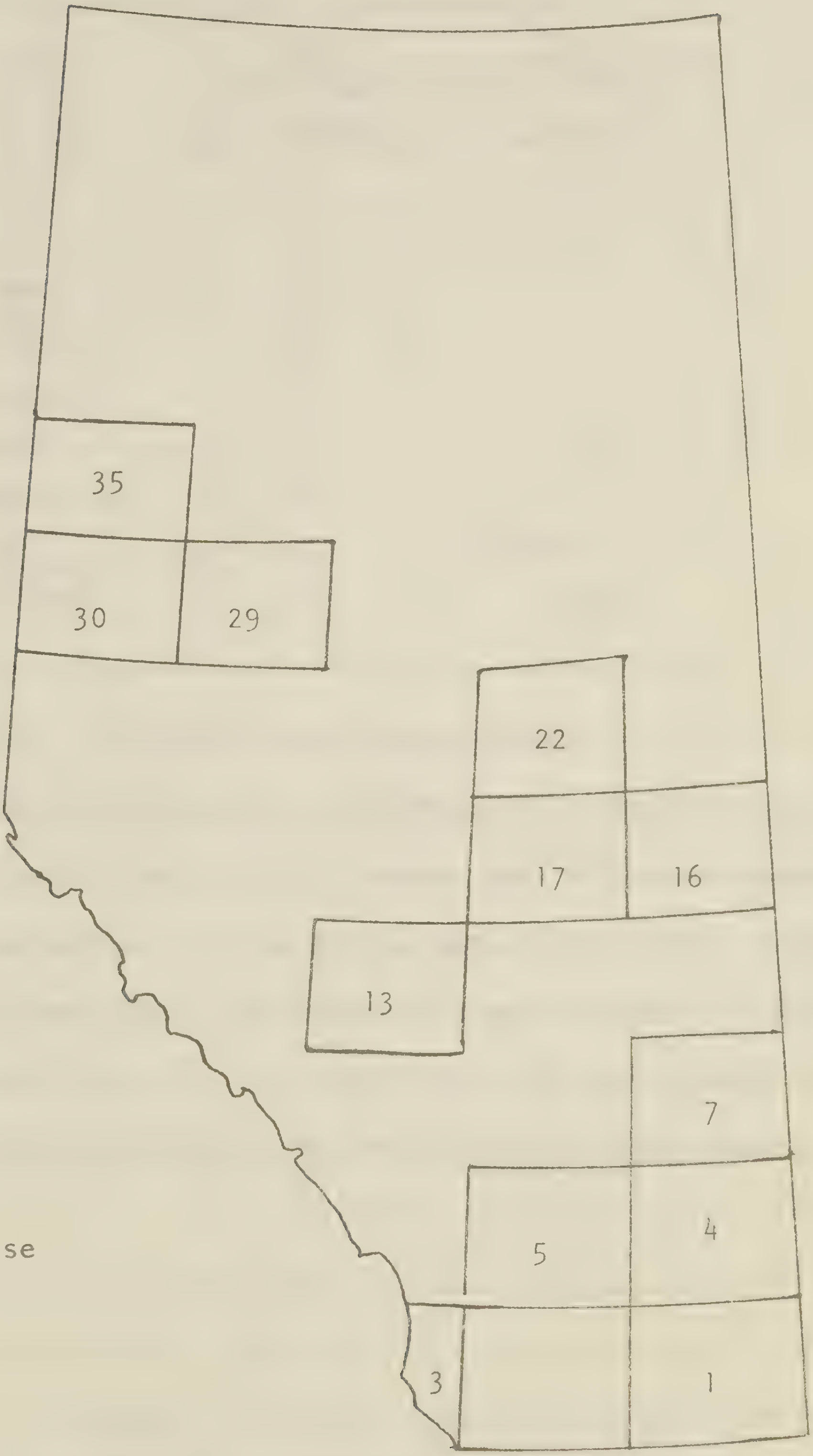
1 to 4 are considered to be arable soils capable of producing cultivated crops, class 5 soils are capable for use as permanent hay or pasture, class 6, only for use as native pasture. A soil capability class is defined as one with the same relative degree of limitation or hazard (but not necessarily with the same kind of limitation or hazard) for agricultural use. In this rating system, climatic limitations or hazards have been considered as well as the various soil characteristics. Organic soils are not given a capability rating, however, in the following tables such soils are rated as #9.

At the time the data in this report was being prepared for processing, there were twelve maps available for Alberta. The names and regions covered by these maps are shown on page 13 . Using legal locations, each individual sale for which a map was available was coded by the major capability class. In total, maps were available for nearly 50% of the agricultural sales.

Table 4 indicates the relationship of the average values per acre to the capability ratings for all C.L.I. maps; Table 5 outlines this relationship for each individual map. Visual examination of the values shown in Table 5, suggested a grouping of individual maps into the four regions shown in Table 6, based upon the similarity of average values.

FIGURE 3

C.L.I. AGRICULTURAL CAPABILITY MAPS



1. Foremost
3. Fernie
4. Medicine Hat
5. Gleichen
7. Oyen
13. Rocky Mountain House
16. Vermilion
17. Edmonton
22. Tawatinaw
29. Winagami
30. Grande Prairie
35. Clear Hills

TABLE 4

AGRICULTURAL VALUES IN RELATION TO C.L.I. RATINGS
(All C.L.I. Maps)

Agricultural Capability Rating	Total Number of Transactions	Total Acreage Sold	Value per Acre ($)
1	33	6360	83.19
2	343	68793	63.98
3	377	78686	53.00
4	381	83414	40.17
5	178	41259	42.97
6	79	17625	44.26
7	18	3146	63.05
9 (Organic)	38	6905	40.05
Total	1447	306188	50.56*

* Wt'd Average value per acre.

Examination of the average values per acre in Table 4 suggest that the mean values for the arable soils (#1 to 4) show a definite difference. However, little difference exists between the poorest arable soils, class 4, and the non-arable agricultural soils, classes 5 and 6. The organic soils sold at a price equivalent to class 4 to 6 land. The value of class 7 soils apparently is determined by non-agricultural considerations as this land has no agricultural potential.

In order to determine the significance of observed differences in mean values, the Z-test statistic was used. This test indicates the degree of confidence one can have that observed differences in sample mean did not occur by chance. At the 95% level of confidence the following results were obtained:

Z-Test Between Average Real Estate Values

No. 1 and 2 Land - not significantly different

No. 2 and 3 Land - significantly different

No. 3 and 4 Land - significantly different

No. 4 and 5 Land - not significantly different

No. 5 and 6 Land - not significantly different

No. 6 and 9 Land - not significantly different

The formula for the Z-test statistic is -

$$Z = \frac{\overline{X}_1 - \overline{X}_2}{\sqrt{\frac{\sigma_1^2}{n_1} + \frac{\sigma_2^2}{n_2}}}$$

This statistic takes into consideration the average values ($\overline{X}$), the amount of variation between observation (σ^2) and the number of observations (n) in each class. Thus, if there was a large enough variation between observations within classes in relation to the number of observations, the observed difference in mean values would not be considered significant. This is the situation for class 1 and 2 land. That is, there likely were many sales of class 2 land at values as high (or higher) than class 1 land or vice-versa.

TABLE 5

AGRICULTURAL VALUES IN RELATION TO C.L.I. RATINGS
(Individual C.L.I. Maps)

Agriculture Capability Rating	Total Number of Transactions	Total Acreage Sold	Value per Acre ($)
Foremost			
1	10	2656	73.76
2	15	3223	54.38
3	37	8937	54.28
4	55	12406	46.07
5	5	1323	31.88
6	9	1979	56.53
Total	131	30524	51.82
Fernie			
2	4	1202	59.80
3	3	596	86.52
5	13	3106	55.52
6	12	3024	52.71
Total	32	7928	57.43
Medicine Hat			
1	5	960	118.75
2	12	1866	60.91
3	10	2076	79.24
4	29	7938	35.21
5	13	2444	57.03
6	1	437	124.98
Total	70	15721	55.06
Edmonton			
1	16	2424	71.44
2	93	14825	63.60
3	43	7832	55.34
4	13	1981	66.95
5	8	1431	54.75
6	6	899	45.05
9 (organic)	4	945	37.01
Total	183	30337	60.52

Agriculture Capability Rating	Total Number of Transactions	Total Acreage Sold	Value per Acre ($)
Gleichen			
1	1	160	162.50
2	63	16116	83.02
3	57	14748	71.29
4	41	10258	49.40
5	36	12718	59.79
6	13	3575	36.04
Total	211	57575	66.20
Oyen			
3	13	3556	37.36
4	44	10544	35.78
5	15	3276	19.26
6	2	447	17.27
Total	74	17823	32.60
Grande Prairie			
2	41	8813	50.41
3	31	6341	54.05
4	6	1593	26.37
5	6	1634	10.16
6	4	705	66.81
7	12	1975	71.22
Total	100	21061	49.06
Rocky Mountain House			
2	15	2890	89.69
3	12	2547	82.38
4	47	8504	53.32
5	49	9399	41.34
6	5	755	41.06
7	1	70	85.71
9 (organic)	24	4217	42.09
Total	153	28382	53.75

Agriculture Capability Rating	Total Number of Transactions	Total Acreage Sold	Value per Acre ($)
Vermilion			
2	47	10358	41.07
3	91	16789	40.95
4	59	13061	36.33
5	15	2420	23.43
6	12	3470	35.57
Total	224	46098	38.34
Winagami			
2	28	5119	50.74
3	28	5273	37.00
4	7	1429	24.59
5	4	1124	19.48
6	2	322	4.12
Total	69	13267	38.68
Clear Hills			
2	6	1103	72.10
3	15	3358	22.54
4	6	1130	12.01
5	1	160	13.38
7	5	1101	46.96
Total	33	6852	32.49
Tawatinaw			
1	1	160	125.00
2	19	3278	88.88
3	37	6633	51.32
4	74	14570	31.99
5	13	2224	14.05
6	13	2012	36.93
9 (organic)	10	1743	36.79
Total	167	30620	42.05

TABLE 6

AGRICULTURAL VALUES IN RELATION TO C.L.I. RATINGS
(by Region)

Region	Agriculture Capability Rating	Total Number of Transactions	Total Acreage Sold	Value Per Acre ($)
Southern Alberta	1	16	3776	88.96
(Map No. 1, 3, 4, 5)	2	94	22407	75.82
	3	107	26357	66.49
	4	125	30376	44.36
	5	67	19591	56.88
	6	35	9015	50.44
East-Central Alberta	2	47	10358	41.07
(Map No. 7 and 16)	3	104	20345	40.32
	4	103	23605	36.09
	5	30	5696	21.03
	6	14	3917	33.48
North-Central Alberta	1	17	2584	74.75
(Map No. 13,17, 22)	2	127	20993	71.14
	3	92	17012	57.82
	4	134	25055	41.99
	5	70	13054	38.16
	6	24	3666	39.77
	7	1	70	85.71
	9 (organic)	38	6905	40.05
Peace River Region	2	75	15035	52.12
(Map No. 29, 30, 35)	3	74	14972	40.98
	4	19	4152	21.85
	5	11	2918	13.93
	6	6	1027	47.15
	7	17	3076	62.53

Regression analysis, using both linear and curvilinear functions, indicated that there was little correlation between C.L.I. ratings and agricultural real estate values. Regression of C.L.I. ratings 1 to 6 with the market value per acre, indicated that approximately 6% of the variation in real estate value was associated with variation in C.L.I. ratings. Similarly, using regression analysis for each region shown in Table 6, the following results were obtained:

	R^2 Values	
	Linear Regression Function	Curvilinear Regression Function
Southern Alberta	3.6%	3.9%
East-Central Alberta	4.0%	4.5%
North-Central Alberta	9.4%	12.2%
Peace River Region	5.7%	20.2%

Somewhat better results were obtained using a curvilinear regression function. (A curvilinear function permited non-constant changes in value in relation to the C.L.I. ratings to occur.) With the curvilinear function, only 3.9% of the variation in real estate values was associated with variation in C.L.I. ratings in southern Alberta; in the Peace River Region, 20.2% of the variation was associated with variation in C.L.I. ratings.

In practical terms there are several reasons why these results could be expected. Some of the most important reasons are:

1. The C.L.I. agricultural ratings are based upon specific soil and climatic limitations which are related to gross productivity considerations. However, the appropriate criterion in determining land value is the net productivity of the land.

2. Most sales represent additions to current agricultural units. (Table 2) As such individual sales values may deviate considerably from the expected 'normal' value. The net productivity of the entire unit rather than the productivity of the unit purchased is the important consideration upon which the price is determined.

3. The values in this report are real estate values, consequently, sales which have a significant amount of buildings could have an over-riding effect upon the expected relationship between C.L.I. ratings and land values. On balance, considering that many sales have no buildings or buildings which add little to the market value of the property, one would not expect a large source of error from this cause.

4. The soil capability may not be uniform for the entire parcel transacted.

5. The relative degree of knowledge of the buyer and seller will influence the price paid.

In summary, the soil capability rating is only one factor which influences real estate prices. Many other factors are considered by the individual.

CHAPTER 3

REAL ESTATE VALUES IN THE URBAN PERIPHERIES

The value of real estate is often influenced by its proximity to urban areas. Many people, for example, choose to live on acreages near the city because of the attractions of rural living. As well, speculative transactions frequently occur. This influence exerts an upward pressure on the value of all real estate, particularly near the larger urban centres. In this report, all sales within a defined area of Edmonton and Calgary were analyzed separately. After a number of trials, the Edmonton urban periphery was defined as the region inclusive of townships 49 to 56 and range 20, west of the 4th to range 1, west of the 5th meridian. The Calgary urban periphery was defined as the region inclusive of townships 20 to 27 and range 26, west of the 4th to range 5, west of the 5th meridian. Table 7 outlines average real estate values per acre in these regions in relation to various size classes of transactions.

TABLE 7

REAL ESTATE VALUES IN THE URBAN PERIPHERIES

Region	Size Class (Ac.)	Total Number of Transactions	Total Acreage Sold	Average Value Per Acre ($)
Edmonton Periphery	0+ - 5	21	46	2839.13
	5+ - 20	13	137	1246.89
	20+ - 60	22	769	634.76
	60+ - 100	43	3343	290.26
	100+	166	30781	151.85
	*	1	---	------
	Total	266	35076	183.43
Calgary Periphery	0+ - 5	10	20	819.80
	5+ - 20	9	149	778.05
	20+ - 60	43	1269	497.45
	60+ - 100	20	1549	283.49
	100+	131	32172	106.12
	*	5	---	------
	Total	218	35159	131.31

* Acreage unavailable.

Real estate values in the Edmonton region were somewhat higher than in the Calgary region, particularly for the small acreage sales (up to 20 acres).

Figures 4 and 5 illustrate pictorially the distribution of real estate values within the defined peripheries of Edmonton and Calgary.

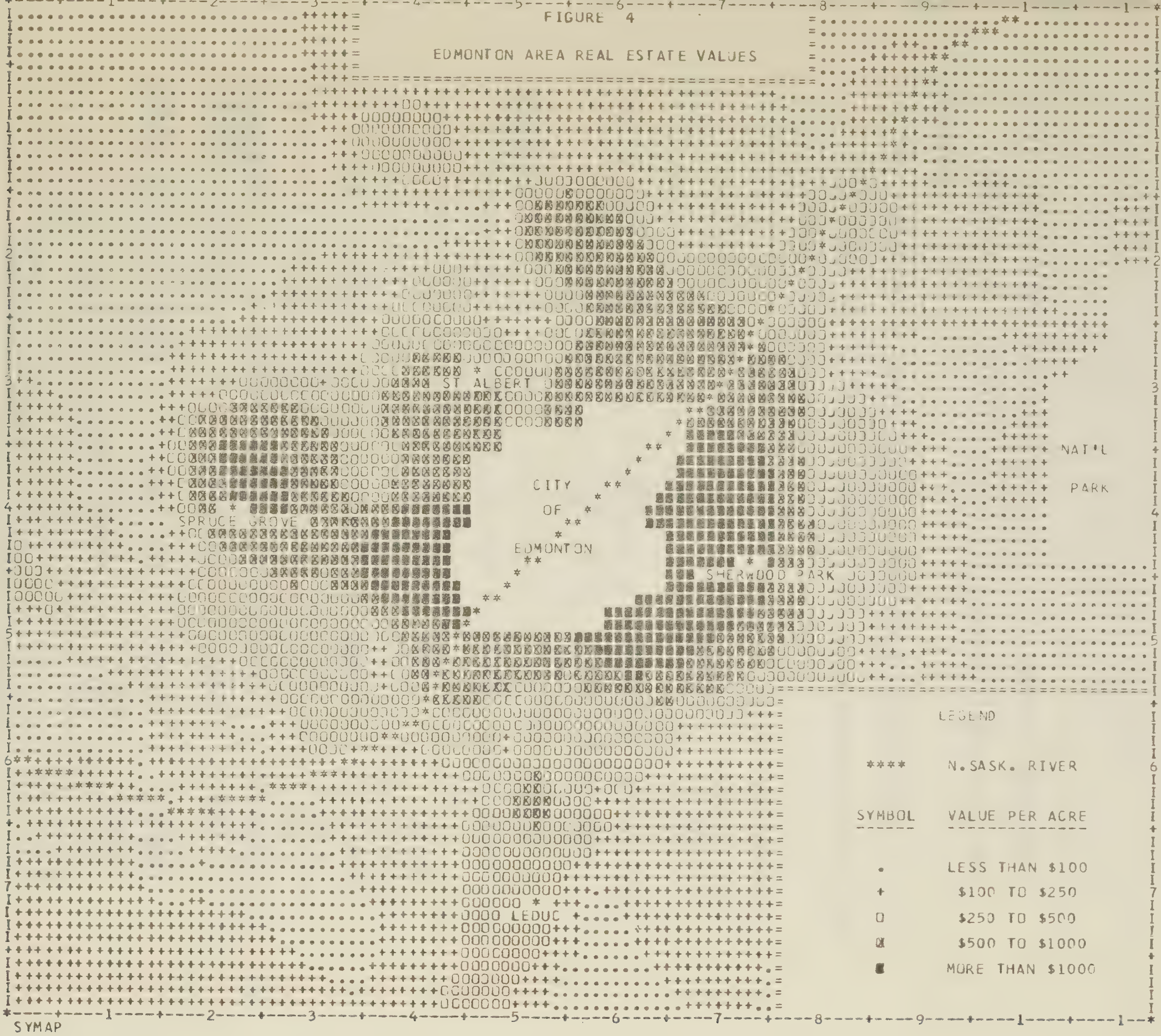
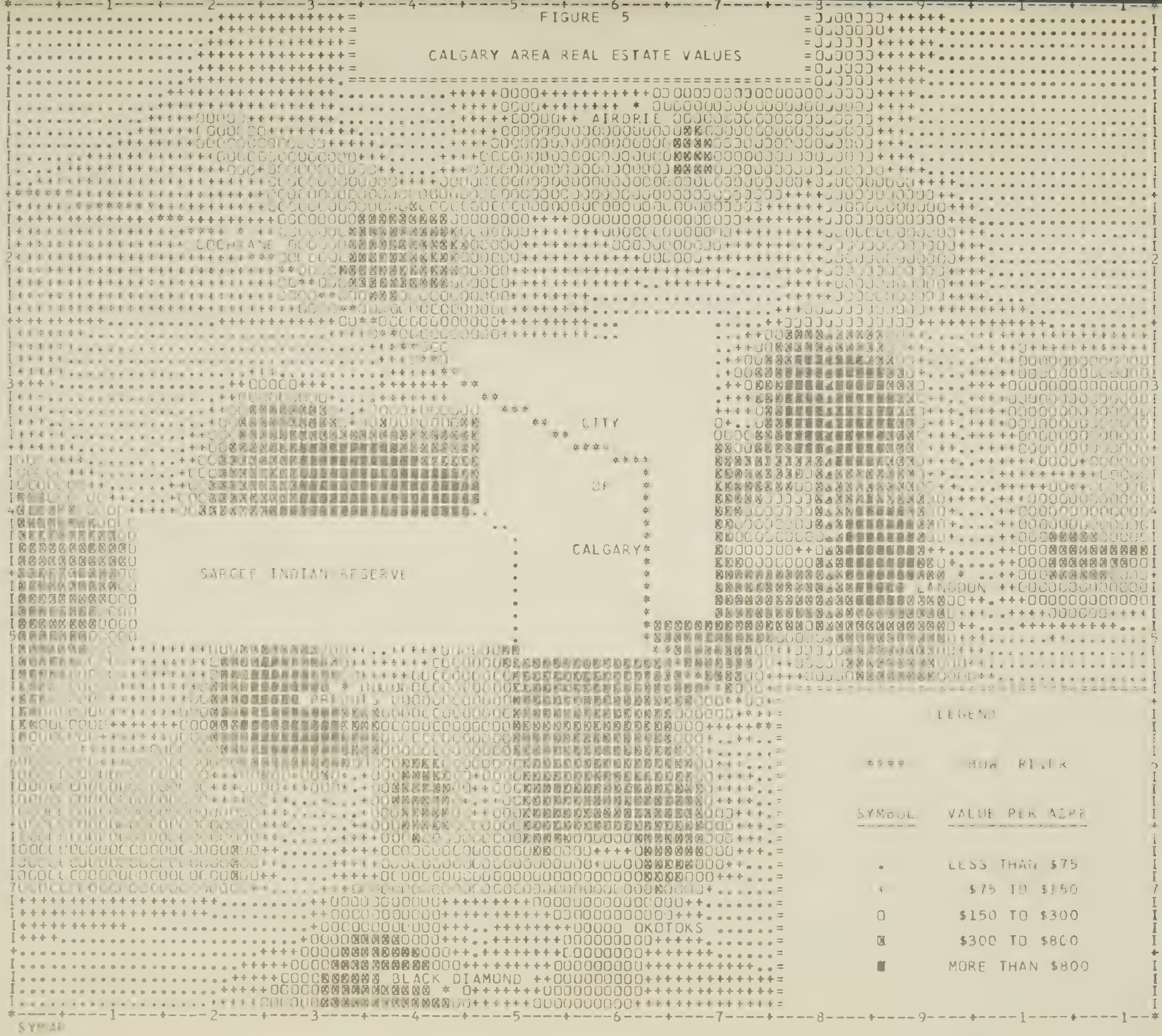


FIGURE 4

EDMONTON AREA REAL ESTATE VALUES

FIGURE 5

CALGARY AREA REAL ESTATE VALUES



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